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SERVICE DATE – MAY 23, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34856]

Four Rivers Transportation, Inc.–Control Exemption–Appalachian & Ohio Railroad, Inc.

Four Rivers Transportation, Inc. (Four Rivers), a noncarrier, has filed a verified notice of exemption to permit Four Rivers to acquire control of the Appalachian & Ohio Railroad, Inc. (A&O) by purchasing 100% of the outstanding stock of A&O from Watco Companies, Inc. (Watco), the noncarrier corporate parent of A&O.<sup>1</sup> A&O is a Class III rail carrier and operates by lease between specified points in West Virginia.<sup>2</sup>

The transaction was scheduled to be consummated on or after May 5, 2006.

Four Rivers currently controls Paducah & Louisville Railway, Inc., a Class II rail carrier, which in turn controls the Evansville Western Railway, Inc., a Class III rail carrier.

Applicants state that: (i) the rail lines involved in this transaction do not connect with any rail lines now controlled, directly or indirectly, by Four Rivers; (ii) this transaction is not part of a series of anticipated transactions that would connect any of

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<sup>1</sup> A redacted version of the draft stock purchase agreement between Four Rivers and Watco was filed with the notice of exemption. The full version of the draft agreement, as required by 49 CFR 1180.6(a)(7)(ii), was concurrently filed under seal along with a motion for protective order. A protective order was served on May 12, 2006.

<sup>2</sup> See Appalachian & Ohio Railroad, Inc.–Lease and Operation Exemption–CSX Transportation, Inc., STB Finance Docket No. 34653 (STB served Mar. 11, 2005).

these rail lines with each other; and (iii) this transaction does not involve a Class I carrier.

Therefore, this transaction is exempt from the prior approval requirements of 49 U.S.C.

11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees.

Because the transaction involves at least one Class II and one or more Class III rail carriers, the exemption is subject to the labor protection requirements of 49 U.S.C.

11326(b).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34856, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on William A. Mullins, Baker & Miller PLLC, 2401 Pennsylvania Avenue, N.W., Suite 300, Washington, DC 20037.

Board decisions and notices are available on our website at “[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: May 16, 2006.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary